TABLE ADTAX-1

A Comparison of Mass Media "Tax" Implications

U S West versus GTE's Largest States

	l	J S West			GTE		
	Non-Tax	Tax			Non-Tax	Tax	
	Loops	Loops	<u>Tax</u>		<u>Loops</u>	<u>Loops</u>	<u>Tax</u>
Colorado	1,561,615	29,597	1.9%	California	1,544,132	672,101	43.5%
Washington	1,525,209	616,011	40.4%	Florida	1,700,422	98,188	5.8%
Arizona	1,497,435	62,395	4.2%	Texas	203,202	23,978	11.8%
Minnesota	1,248,789	370,636	29.7%	Indiana	335,160	43,758	13.1%
Oregon	697,489	384,408	55.1%	Illinois	69,671	3,029	4.3%
Iowa	378,742	116,314	30.7%	Ohio	None		
Utah	589,857	11,179	1.9%	Hawaii	599,559	0	0.0%
New Mexico	324,189	15,311	4.7%	Washington	56,776	26,366	46.4%
Nebraska	266,766	64,911	24.3%	Michigan	83,092	148	0.2%
Idaho	92,610	5,297	5.7%	Pennsylvania	413,034	105,638	25.6%
Montana	76,164	18,614	24.4%	Virginia	None		
South Dakota	79,380	20,444	25.8%	Kentucky	118,610	33,418	28.2%
North Dakota	128,291	41,316	32.2%	Oregon	None		
Wyoming	64,614	5,360	8.3%	Wisconsin	61,759	0	0.0%
Total	8,531,150	1,761,793	20.7%		5,185,427	1,006,624	19.4%
Other ³	4,017,750				7,344,627		

³ Represents loops in non-MSA areas or loops in MSAs with tax rates above 100%.

Methodology for Determining

Non-Tax and Tax Loops

GTE maintains a data base that contains census data sorted by GTE serving territory and sorted by MSA. These data and average statewide loop per population data were used to develop GTE Non-Tax and Tax Loops. For example, in Michigan, GTE serves customers in nine MSAs. Census data shows the following populations for each of the nine.

	Population in GTE Territory	Population in Non-GTE Territory
Detroit	174,528	4,199,549
Grand Rapids	12,970	681,974
Lansing-East Lansing	70,877	361,593
Flint	58,843	370,142
Saginaw-Bay City-Midland	12,003	385,674
Ann Arbor	13,902	270,316
Kalamazoo	4,748	219,257
Jackson	8,301	138,635
Muskegon	158,815	282

Only the Muskegon MSA has a tax of less than 100%. The Michigan statewide average loop per population is .5232.⁴ Multiplying .5232 times the 158,815 and 282 population in Muskegon produces the estimates shown <u>supra</u>.

⁴ Source: Census data and National Exchange Carrier Association 1990 loop data.

Since GTE does not maintain a similar data base for BOC serving areas, the BOC estimates were more complicated. For example, in Arizona there are three MSAs, Phoenix, Tucson and Yuma. GTE serves 930 people in those MSAs and those MSAs contain another 2,963,963 people. The Arizona statewide average loops per population ratio is .5261.⁵ Further, U S West serves 96.03% of the non-GTE loops in Arizona. The Arizona U S West Non-Tax Loops were estimated as 96.03% of .5261 times 2,963,963, or 1,497,435. The Arizona U S West Tax Loops were estimated as 3.97% of .5261 times 2,963,963 plus .5261 times 930, or 62,395.

⁵ Source: Census data and Natinal Exchange Carrier Association 1990 loop data.

		J

ATTACHMENT J

Basic Service Unbundling

BOC Requirements:

GTE Implementation:

- The basic services and functions underlying a BOC enhanced service offering must be unbundled from other basic service offerings and must be associated with a specific rate element in the CEI tariff.
- A sample tariff is to be filed with CEI plans.
- CEI Plans do not require federal tariffs, pending part 69 rulemaking, but a BOC may file a federal tariff with a Part 69 waiver if it desires to do so. After Part 69 rulemaking, federal tariffs are required.
- BOCs are to provide additional basic services and functions, not utilized by their ESP, that could be commonly used in the provision of enhanced services to the extent technologically feasible.
- BOCs are to examine, through the IILC, the technical, operational and administrative issues associated with further unbundling and modular architecture.

- The basic services and functions underlying GTE's enhanced service offering have been unbundled from other basic service offerings and associated with a specific rate element in the intrastate tariff in the following states:
 - Approved Illinois, Indiana, Florida, Kentucky, North Carolina, Nebraska, Texas, California, Hawaii, Oregon, Washington, Minnesota, Missouri, Pennsylvania.
 - Pending Ohio, Virginia, Wisconsin.
 Planned Alabama, Arkansas,
 Georgia, Iowa, Idaho, Michigan, New
 Mexico, New York, Oklahoma, South
 Carolina, Tennessee, Vermont.
- No CEI plan or federal tariff requirement by the FCC.
- Available to all ESPs under the same terms and conditions.
- GTE is currently developing basic services and functions to unbundle the feature groups to be filed in the interstate and intrastate access tariffs.
- GTE provides basic services and functions in the intrastate tariffs, comparable in number to RBOC offerings, that may be used for the provision of enhanced services beyond those used by GTE's ESP.
- GTE provides a higher percentage (65%) of the total ONA services identified in the RBOC ONA Services User Guide than the majority of the RBOCs (AM 43%, BA 57%, BS 58%, NX 54%, PB 57%, SW 46%, US 74%).
- GTE is participating in the IILC Issue addressing "Long Term Unbundling and Network Evolution" (Issue 026).

Interface Functionality

BOC Requirements:	GTE Implementation:
 Standardized hardware and software interfaces that support transmission, switching and signalling functions identical to those used by the BOC's ESPs must be provided to other ESPs. Information and technical specifications for such interfaces must be provided pursuant to network disclosure rules. A list of documents containing interfaces must be provided as a part of the BOC Fillings. 	 Standardized hardware and software interfaces that support transmission, switching and signalling functions utilized by GTE's enhanced services are provided to other ESPs. Specifications provided per FCC Part 68.110 and "All Carrier Rule" requirements as well as promotional material and tariff filings. Technical specifications identified for such interfaces and vendor contact information provided to ESPs so that they can obtain the copyright material from the vendor.

Pricing Terms, Conditions & Resale

BOC Requirements:	GTE Implementation:
 BOCs must purchase the basic services used in their enhanced service offerings at unbundled tariffed rates under the same terms and conditions as unaffiliated ESPs. BOCs not permitted to have resale restriction in federal tariffs and must justify intrastate resale restrictions to the FCC. 	 GTE's ESPs purchase the basic services used in their enhanced service offerings at unbundled tariffed rates under the same terms and conditions as unaffiliated ESPs. Restrictions placed in intrastate tariffs to prevent use of the basic services as a replacement for interstate access.

Technical Performance

BOC Requirements:	GTE Implementation:
- BOCs must offer basic services to other ESPs with same technical performance characteristics as those used by their own ESPs. Characteristics include: - Transmission parameters (e.g. bandwidth, bit rate) - Quality (e.g. bit error rate, delay distortion) - Reliability (e.g. MTBF). Performance defined as that perceived by the customer.	 GTE offers basic services to other ESPs with same technical performance characteristics as those used by own ESP. Basic services conform to standard quality performance specifications as generally defined by industry standards.

Nondiscrimination in Installation & Repair

BOC Requirements:	GTE Implementation:
- BOCs must provide the same installation, maintenance and repair service performance to other ESPs as provided to their own ESP (i.e. Installation intervals, Response Time, and Clearing Time).	 GTE provides the same installation, maintenance and repair service performance to other ESPs as provided to own ESP. Service order due dates quoted using a mechanized system that recognizes customer wishes, current work load, and physical location of employees with the necessary skill sets. Service order assignment based upon type, quantity, and complexity of the requested service, not customer identity. Maintenance and repair due dates also assigned using a mechanized system that recognizes the nature of trouble and type of service, not customer identity Priority restoration times may be dictated by PUC regulations or emergency conditions.

End User Access

BOC	Requirements:	

- BOCs must offer the same basic network
- services/capabilities their own ESP's end-users use to the end-users of other ESPs.
- End-users must have equal opportunity to access basic regulated network facilities through derived channels such as DOV whether they use the enhanced services of a BOC or of other ESPs.

- GTE Implementation:
- GTE provides the same basic network services/capabilities via tariff its own ESP's end-users use to the end-users of other ESPs.
- All end-users have equal opportunity to obtain all tariffed network facilities on the same terms and conditions.

CEI Availability

BOC Requirements:

GTE Implementation:

- BOC CEI offerings must be fully operational on the date they offer the corresponding enhanced service.
- BOCs must specify a reasonable time prior to the enhanced service availability date during which prospective ESP competitors may order CEI facilities for testing purposes for their own enhanced service offering.
- GTE CEI offerings are fully operational on the date GTE offers the corresponding enhanced service.
- Unaffiliated ESPs notified of CEI offering via Public Utility Commission or FCC public record at time of tariff filing.
- Product bulletin sent to all known ESPs to introduce new network product offerings that may be of use for the provision of an enhanced service.
- Tariffs for CEI offerings filed with 90-day effective date to permit ESPs reasonable period to order CEI facilities and test enhanced service offerings prior to tariff approval.

Recipients of CEI

BOC Requirements:	GTE Implementation:
 BOCs cannot restrict availability of CEI services to any particular class of customer or ESP in any interstate tariff. Restrictions permitted in intrastate tariffs as long as ESPs not specifically restricted from purchasing intrastate tariffed CEI services and justification provided to FCC. 	- GTE does not restrict who can order unbundled offerings, except that IXCs cannot order services from intrastate local tariff for purposes of interexchange access.

Collocation/Minimization of Transport Costs

BOC Requirements:	GTE Implementation:
 If BOCs choose to collocate enhanced service facilities within building housing regulated network facilities, they must provide other ESPs with interconnections which minimize the cost differences between their own ESP's interconnections and those of others. BOC collocation permitted and other ESP collocation is an option. Price parity suggested method to provide virtual collocation using a two mile band. 	 GTE collocates it's enhanced services equipment and software with basic network facilities. GTE does not currently collocate equipment of other ESPs, but minimizes transport cost differences via price parity. GTE charges own ESP same rates as if located within two mile band of central office for access line rates that are distance sensitive.

Allocation of Joint and Common Costs

BOC Requirements:	GTE Implementation:
- BOCs must comply with joint cost order rules for allocation of costs between the regulated and unregulated services they provide.	 GTE complies with allocation of costs between regulated and unregulated services as defined in GTE's Cost Allocation Manual per the joint cost order (CC Docket 86-111).

Aggregate CPNI

BOC Requirements:	GTE Implementation:
BOCs must make any non-proprietary aggregate CPNI used by their own ESPs available to all ESPs under the same terms and conditions it is made available to their own.	- GTE makes any non-proprietary aggregate CPNI used by its own ESP available to all ESPs under the same terms and conditions as is made available to its own ESP.

120 Day New Service Request Process

BOC Requirements: GTE Implementation: BOCs must respond within 120-days to a GTE has implemented a new service written request from an ESP new service request process patterned after the IILC Issue addressing "Unbundling Criteria" request. BOC response must include: (issue 022). Whether the BOC is capable of GTE will use the process to accept, providing or will be willing to assess, and respond to specific short modify the network to provide term and specific long term ESP the desired functionality: unbundling requests. What if any, technical problems GTE will provide a response to the are anticipated: customer within 120-days. An indication of the approximate GTE response will include: price that will be proposed. If request accepted: expected BOC assessment to be based upon four availability date, current criteria: deployment plans, and Utility as perceived by ESPs approximate price and Market demand conditions. Costing feasibility If request rejected or deferred: Technical feasibility explanation of all impediments which fully or partially contribute to the rejection or deferral of the request. The 7 criteria, as defined in IILC Issue 022, to be utilized by GTE in the new service request assessment include: **ESP Utility** Technical Feasibility Regulatory Feasibility Legal Feasibility LEC Public Policy Feasibility **Economic Feasibility**

Other

Network Information Disclosure

BOC Requirements:

- BOCs must disclose information regarding network changes or new network services affecting interconnection of enhanced services with the network at two points in time: at the make-buy point and at least 12 months prior to date new service introduced or network change made.
- BOCs must "publicly" release all technical information at least 12 months prior to introduction of new service or network change.
- BOCs must maintain list of entities, including trade associations who desire notification.

GTE Implementation:

- GTE is not normally involved in "makebuy" point and notifies ESPs of new network services or network changes via compliance with the FCC's Part 68 and "All Carrier Rule" imposed upon independent telephone companies.
- Product bulletin sent to all known ESPs to introduce new network product offerings that may be of use for the provision of an enhanced service.

Customer Proprietary Network Information

BOC Requirements:

be treated as CPNI.

BOCs must define types of information to

- BOCs must make CPNI available upon customer request to unaffiliated ESPs under same terms and conditions available to their own ESP.
- BOC personnel engaged in the marketing of enhanced services may not access the CPNI of business customers with more than twenty lines unless they have obtained the permission of the customer.
- BOCs must annually notify multi-line business customers, with 2-19 access lines, of their CPNI rights and respond to customer restriction wishes.

GTE Implementation:

- GTE policy not to use CPNI to generate prospect lists for marketing enhanced services.
- GTE policy prohibits unhooking.
- GTE is preparing an ESP CPNI rights notification package.
- GTE honors all written customer requests for CPNI restriction from its enhanced services marketing and sales personnel.
- GTE makes CPNI available to unaffiliated ESPs when authorized to do so in writing by the customer under the same terms and conditions as its own enhanced services marketing personnel.
- GTE automatically restricts non-published numbers, unlisted numbers and "forwarded-to" numbers to preclude their use in its enhanced services telemarketing efforts.
- GTE has implemented a record "flag" system to restrict customer CPNI as a proxy for password restriction in its systems containing CPNI which could be accessed by its enhanced service marketing and sales personnel.
- GTE marketing and sales personnel conduct special call accounting studies upon customer request or with customer consent.

Operational Support System Access

BOC Requirements:	GTE Implementation:		
- BOC must provide tariffed access to internal Operations Support Systems.	 GTE currently developing an OSS access system for access customers. GTE will consider alterations to OSS access system if the capability is justified by demand, needs can be met technically, network security needs can be met, customer privacy can be maintained, and the services are economically viable. GTE provides "same form of access" for order entry and repair for both affiliated and unaffiliated ESPs. No direct access to OSS. Orders for BSAs and BSEs placed via sales channels. Customer generated trouble reports placed via repair answer center. GTE employee detected trouble resolved in same manner without knowledge of customer identity. 		

Non-Discrimination Reporting

BOC Requirements:	GTE Implementation:	
 BOCs required to file quarterly reports comparing the level of installation and repair service provided to their own ESP versus that provided to other ESPs. Due date performance and repair intervals to be reported by BSA/BSE/CNS. Quality reporting can be waived if BOCs demonstrate that practices and procedures preclude the potential for discrimination. 	 Standard installation intervals based upon type, quantity and complexity of service, not customer identity. Maintenance and repair intervals based upon nature of trouble and type of service, not customer identity. GTE maintains internal controls that preclude discrimination and does not file reports with the FCC. 	

K

ATTACHMENT K

TARIFF FCC NO. 1 7th Revised Page 19 Cancels 6th Revised Page 19 Effective: June 29, 1992

Issued: May 15, 1992

FACILITIES FOR INTERSTATE ACCESS

2. GENERAL REGULATIONS (Cont'd)

2.1 Undertaking of the Telephone Company (Cont'd)

2.1.7 <u>Changes and Substitutions</u>

Except as provided for equipment and systems subject to Part 68 of the FCC Rules and Regulations in 47 C.F.R. Paragraph 68.110 (b), the Telephone Company may, where such action is reasonably required in the operation of its business, substitute, change, or rearrange any telephone plant used in providing FIA under this tariff, change minimum network protection criteria, change operating or maintenance characteristics of facilities, or change operations or procedures of the Telephone Company. In case of any such substitution, change or rearrangement, the facility parameters will be within generally accepted standards. The Telephone Company shall not be responsible if any such substitution, change or rearrangement renders any customer furnished services obsolete or requires modification or alteration thereof or otherwise affects their use or performance. If such substitution, change, or rearrangement materially affects the operating characteristics or technical parameters of the FIA, as originally ordered by the customer, the Telephone Company will notify the customer in writing prior to making such substitution, change or rearrangement. Notification will be given as follows:

- Should a major change occur, the Telephone Company shall notify the customer at least one year in advance. A major change is described as any change in telephone plant which will affect the technical parameters of the interface (e.g., level, impedance, signaling, interface, bandwidth, two-wire, four-wire, etc.).
- Should a minor change occur, the Telephone Company shall notify the customer at least thirty days in advance. A minor change is described as any change in telephone plant which will not affect the technical parameters of the interface (e.g., level, impedance, signaling, interface, bandwidth, two-wire, four-wire, etc.).

The Telephone Company will work cooperatively with the customer relative to the redesign and implementation required by the change in operating characteristics.

2.1.8 <u>Discontinuance and Refusal of FIA</u>

- (A) Unless the provisions of 2.2.2(B) apply, if the customer fails to comply with the (T) provisions of 2.1.6, 2.3.1, and 2.4.1(D), including any payments to be made by it (T) on the dates or at the times herein specified, and fails within thirty (30) days after written notice, by certified mail, from the Telephone Company to a person designated by the customer to correct such noncompliance, the Telephone Company may discontinue the provision of the FIA to the noncomplying customer. In case of such discontinuance, all applicable charges shall become due.
- (8) If the customer repeatedly fails to comply with the provisions of this tariff in connection with the provision of a FIA or group of FIA, and fails to correct such course of action after notice as in (A), the Telephone Company may refuse (T) applications for additional FIA to the noncomplying customer until the course of action is corrected.

ATTACHMENT L

MARKETING NEWS

GTE Offers Voice Messaging Access To Enhanced Service Providers

July 1, 1992 Reference: 920371

GTE is implementing a direct mail program targeted at Enhanced Service Providers (ESPs) in the following states during July:

<u>Central</u>	<u>North</u>	<u>South</u>	West
Missouri	Illinois	Florida	California
Nebraska	Ohio	Kentucky	Hawaii
Texas	Pennsylvania	North Carolina	Oregon
	Indiana	South Carolina	Washington

The purpose of the direct mail program is two-fold.

- Introduce prospective customers to Voice Messaging Access.
- Allow GTE to obtain information on these customers in the form of a questionnaire.

GTE will use the information gathered from this program to further enhance the product offering and more effectively target our marketing programs.

The direct mail is divided into the following two versions.

- The first version is a technology introduction and will be sent to customers in states where Voice Messaging Access is soon to be tariffed.
- The second version describes existing technology and will be sent to customers in states where Voice Messaging Access is currently available.

A copy of each letter is attached.

Customers interested in learning more about Voice Messaging Access are encouraged to contact their GTE Account Manager or contact the GTE Intermediary Customer Direct Marketing Center in their part of the country.



Questions regarding this Marketing News should be addressed to Product Sales Support at 1-800-FON-GTE4 or 1-800-FON GTE5 between 8:00 a.m. and 5:00 p.m., Central Time Monday through Friday. Calls received at other times will be forwarded to voice mail and returned the next business day. THESE NUMBERS ARE NOT TO BE USED BY END-USER CUSTOMERS. THEY ARE FOR SALES PERSONNEL ONLY.

Author:

Julie Roe, Product Promotions

Publisher:

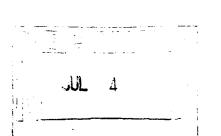
Margo Brown, Product Marketing Support

Distribution:

IC Sales

BSOC (Managers Only)

General Business Major Accounts Product Marketing Network Services





GTE Access Services

8400 Esters Blvd. Suite 550 Irving, TX 75063-2203

Dear Telecommunications Manager:

You want to give your customers the best possible telecommunications service. Naturally, that includes conveniences like voice messaging and call forwarding.

Until now, the options for providing your customers non-integrated voice messaging included going through a separate vendor, buying a PABX adjunct system or voice mail server, and ordering Call Forwarding from GTE.

Now there's a better way: Voice Messaging Access (VMA) from GTE. State-of-the-art, integrated voice messaging and call forwarding.

What does integrated voice messaging and call-forwarding mean? It means individual phone numbers and answer-messages, so callers don't have to dial through a series of numbers. It means stutter dial-tones that automatically signal new messages. It means hearing messages from any touch-tone phone, then being able to save or erase them. And it means your customers' calls can be automatically forwarded to your voice mail service.

And what does all that mean to your business? It means attracting new customers...upgrading your current customers...enhancing your product portfolio...and improving your own office's telephone capabilities.

That's VMA in a nutshell. It's offered under tariff from GTE, and the enclosed product information sheet will give you a more complete picture of how VMA works, and how it can help you better serve your customers.

• Convenient single-number dialing

Your customer's mailbox is his or her own home or business phone number, with its own customized answer-message. So callers don't have to dial additional numbers and digits to leave your client a message.

• Advanced message retrieval

A "stutter" dial-tone tells your customers when there's a message. They can hear their messages from any touch-tone phone, then erase or save them for review.

• Plus Call forwarding

Your customers can automatically forward their calls to your voice mail service.

We at GTE have made a commitment to better serve you, our customer. So you'll also find a questionnaire enclosed. The purpose of this survey is to develop a customer profile that will assist GTE in meeting your needs and how VMA can best fit into your current product portfolio.

Please take a few minutes to complete this questionnaire and return it in the enclosed postage paid envelope by July 31, 1992. This study will be treated with the strictest of confidence.

I know your time is valuable, and that filling out questionnaires isn't much fun. So, for being such a good sport about it, we'd like you to have an Official NFL Sports Bag with the insignia and team colors of your choice. Please accept this sturdy nylon bag as a "thank you" from GTE, official Telecommunications Consultant to the National Football League.

Your GTE Account Manager will be happy to answer any questions you may have about VMA. If you don't have a GTE Account Manager, call 1-800-825-4228 if you're east of the Mississippi, or 1-800-437-0694 west of the Mississippi. I'm sure that, once you've discovered what VMA can do, you'll be excited by its possibilities.

Sincerely,

Kathie Shannon

V. Shannon

Product Manager, Network Services

GTE

PS — When you fill out your questionnaire, be sure to indicate which NFL team's insignia and colors you want on your Official NFL Sports Bag!



8400 Esters Blvd. Suite 550 Irving, TX 75063-2203

Dear Telecommunications Manager:

Introducing *Voice Messaging Access* — a unique technology from GTE ... and a unique opportunity to expand your business.

Voice Messaging Access (VMA) gives you state-of-the-art, integrated voice messaging and call forwarding capabilities. It's offered under tariff from GTE, and with it you can offer your subscribers (and your own offices!):

- Convenient single-number dialing Your customer's mailbox is his or her own home or business phone number, with its own customized answer-message. So callers don't have to dial additional numbers and digits to leave your client a message.
- Advanced message retrieval

 A "stutter" dial-tone tells your customers when there's a message.

 They can hear their messages from any touch-tone phone, then erase or save them for review.
- <u>Plus Call-forwarding</u>
 Your customers can automatically forward their calls to your voice mail service.

Voice Messaging Access gives you the convenience and reliability of truly integrated telephone services. It's an ideal opportunity to upgrade your current customers...attract new customers...enhance your product portfolio...and improve your own office's telephone capabilities.

That, in brief, is what VMA is all about. The enclosed product information sheet will give you a more complete picture of how VMA works, and how it can help you better serve your customers.

We at GTE have made a commitment to better serve you, our customer. So you'll also find a questionnaire enclosed. The purpose of this survey is to develop a customer profile that will assist GTE in meeting your needs and how VMA can best fit into your current product portfolio.

Please take a few minutes to complete this questionnaire and return it in the enclosed postage paid envelope by July 31, 1992. This study will be treated with the strictest of confidence.